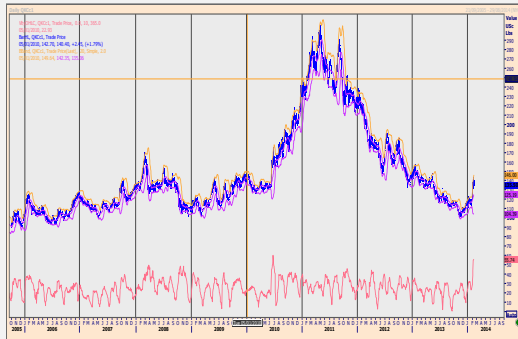
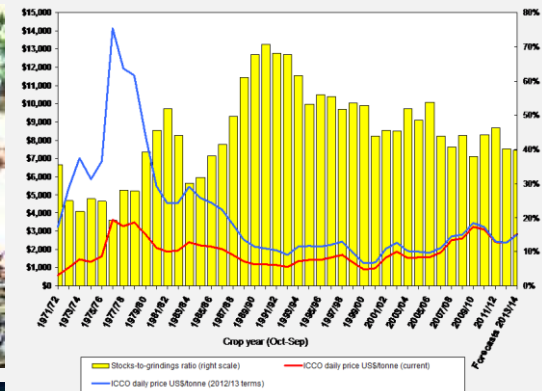


# The 3<sup>rd</sup> CARIFORUM EU BUSINESS FORUM



## European And International Market Trends In The Specialty Cocoa Industry: Supply And Consumption

Montego Bay, Jamaica, 15-16 April 2015



Laurent Pipitone - [laurent.pipitone@icco.org](mailto:laurent.pipitone@icco.org)

## Sustainability standard compliant cocoa:

- Situation: Fairtrade, UTZ Certified, Rainforest Alliance: strong growth in demand and supply: about 15% of cocoa sales
- Challenges: cost, premium, sales, auditing, unorganized farmers, and impact measurement
- Prospect: commitment by leading chocolate manufacturers to sourcing exclusively sustainable cocoa – ISO/CEN standard in preparation & company-specific standards

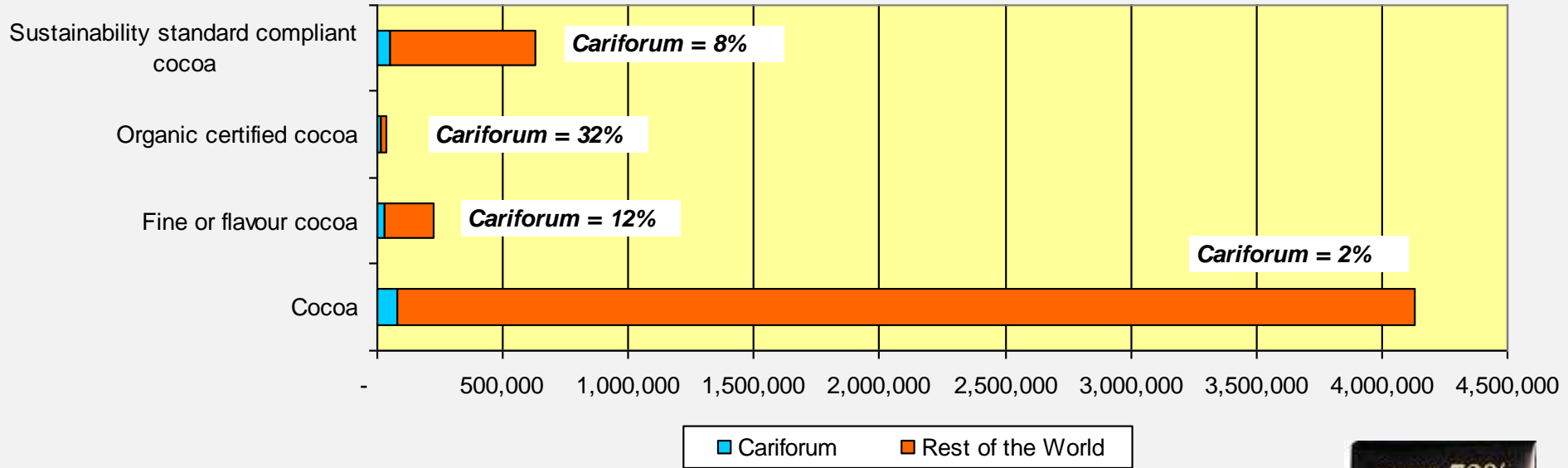
## Organic certified cocoa:

- Situation: limited growth in demand and supply: about 1% of cocoa sales
- Challenges: conversion period, control of pests & disease, low yields, premium
- Prospect: moderate growth

## Fine or Flavour cocoa:

- Situation: strong growth in demand: about 6% of cocoa exports
- Challenges: low yields, quality & consistency, premium, mixing, no label/certification available
- Prospect: great potential, strong growth of the up-market chocolate segment, and single origin chocolate – supply constrained

# Specialty / non-conventional cocoas



Sources: ICCO estimates, Cocoa Barometer 2015, IISD

# What is fine or flavour cocoa?



The difference between fine or flavour cocoa and bulk cocoa is in the **flavour** rather than in the other quality factors. Fine flavours include fruit (fresh and browned, mature fruits), floral, herbal, and wood notes, nut and caramelic notes as well as rich and balanced chocolate bases.

A **combination of criteria** is used to assess the quality of fine or flavour cocoa: the genetic origin of planting material, morphological characteristics of the plant, flavour characteristics of the cocoa beans produced, chemical characteristics of the cocoa beans, colour of the cocoa beans and nibs, degree of fermentation, drying, acidity, off-flavours, percentage of internal mould, insect infestation and percentage of impurities.

However, the measurement of some of these criteria is somehow **subjective** and does not establish objectively that the cocoa in question has the characteristics of fine or flavour cocoa

**Organoleptic assessments** together with the **theobromine/caffeine** ratio proved to have good discriminating power to segregate fine or flavour from bulk/ordinary cocoa



# ICCO Ad hoc Panel on Fine or flavour cocoa



**Objective:** to provide reference to key players in the cocoa economy of the percentage of Fine or Flavour cocoa exported by cocoa producing countries.

Deliberation by a group of **independent experts** with ample experience in trade, processing, manufacturing and testing of Fine or Flavour cocoa.

Cocoa producing countries are invited to **present their case** to the Panel.

Panel submits its **recommendations** to the **International Cocoa Council** (the supreme body of the ICCO) for adoption.

**Next meeting of the Panel: 18 September 2015, London**

Experts from:

Olam (Cameroon), CRIG (Ghana), Casa Luker (Colombia), Pacari (Ecuador), Ritter Sport (Nicaragua), Ingemann (Nicaragua), UWI (T&T), El Rey (Venezuela), Mars (Indonesia), Bonnat (France), Valrhona (France), Schluter & Maak (Germany), Daarnhouwer & Co. (Netherlands), Barry Callebaut (Switzerland), Nestle (Switzerland), Walter Matter (Switzerland), Duffy (UK), Amano (USA)

**Chairman: Ed Seguire**

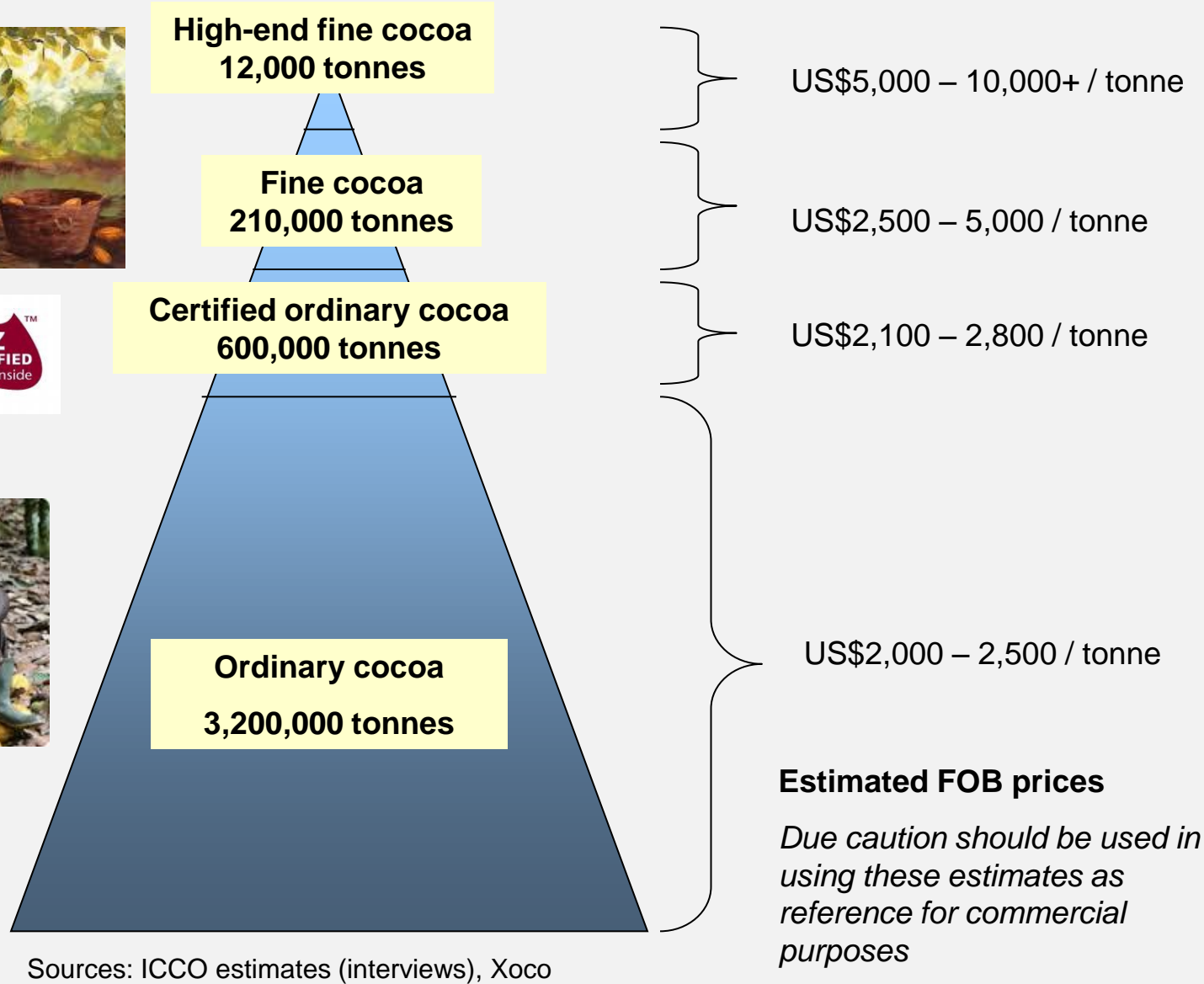
## Fine or flavour cocoas



<b>Countries</b>	<b>ICCO Council resolution - March 2011 - % of exports</b>	<b>3-year average exports of beans, tonnes</b>	<b>3-year average exports of fine or flavour beans, tonnes</b>
Bolivia	100%	385	385
Colombia	95%	4,331	4,114
Costa Rica	100%	226	226
Dominica	100%	137	137
Dominican Republic	40%	59,947	23,979
Ecuador	75%	155,717	116,788
Grenada	100%	778	778
Indonesia	1%	210,867	2,109
Jamaica	100%	327	327
Madagascar	100%	7,673	7,673
Mexico	100%	449	449
Papua New Guinea	90%	42,180	37,962
Peru	90%	23,605	21,245
St. Lucia	100%	13	13
Sao Tome and Principe	35%	2,180	763
Trinidad and Tobago	100%	387	387
Venezuela	95%	5,072	4,818
<b>World (calculated estimate)</b>	<b>6%</b>		<b>222,153</b>

Source: ICCO

# A small premium specialty market



## Developed markets

- **Health**
- Lower volume
- **Premiumisation**
  - Higher cocoa content

## Emerging markets

- **More, more, more**
- **Price sensitive**
  - Lower cocoa content

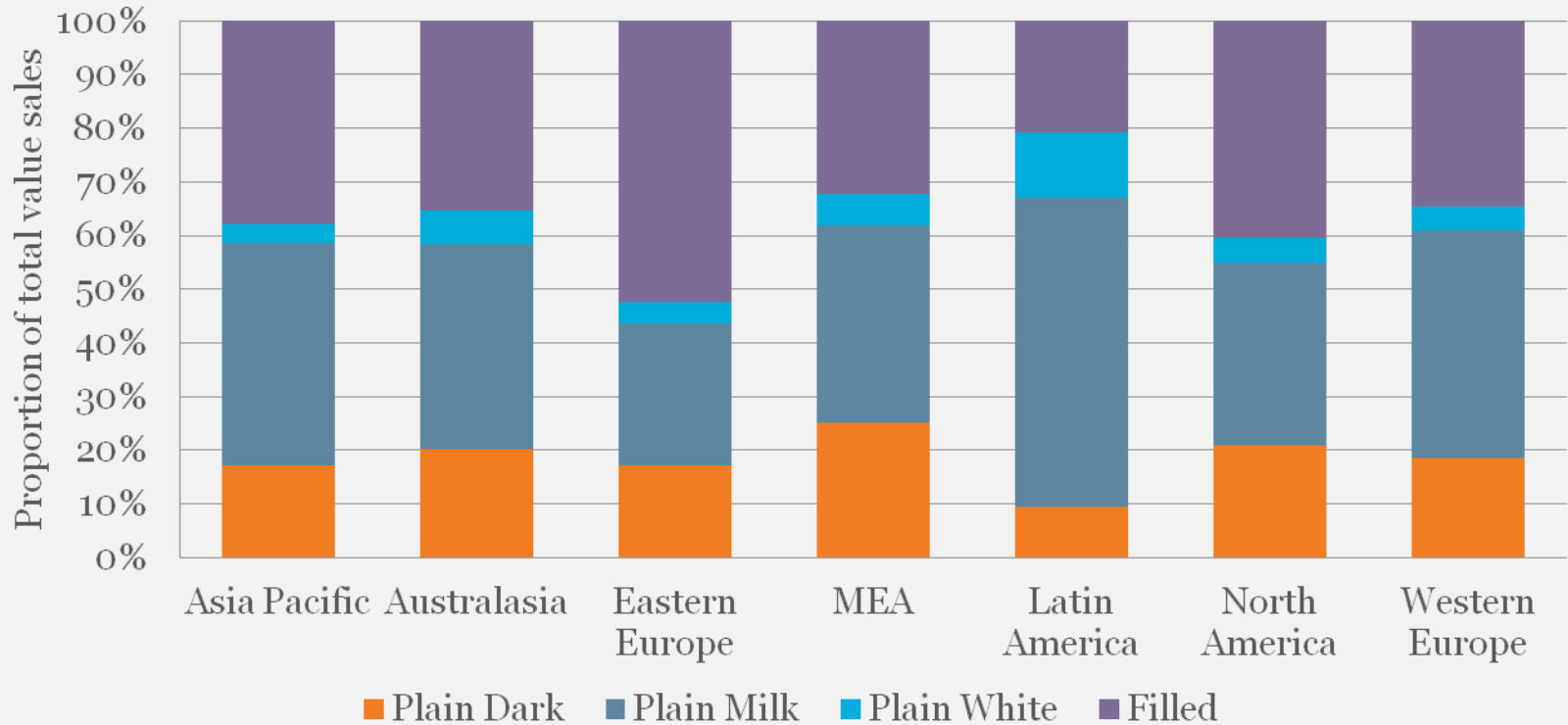
Source: Euromonitor



# The rise of the dark chocolate tablets...



## Tablet Sales by Type and Region, 2013



**US\$4.9bn**

GLOBAL RETAIL SALES OF DARK TABLETS 2013

**60%**

OF ALL DARK CHOCOLATE SALES WERE IN EUROPE 2013

**31%**

INCREASE IN RETAIL SALES OF DARK CHOCOLATE SINCE 2008

Source: Euromonitor

# Recommendations



**Ensuring high quality (strict quality control) and consistency from production to post-harvest...**

**Increasing productivity (planting material & GAP) and access to extension services...**

**Promoting diversity and branding (de-commoditization) for better prices, alongside to agro-tourism...**

**Developing local cocoa processing and chocolate manufacturing...**

**Building on the high quality research and experience in the region: International Cocoa Genebank, UWI, International Fine Cocoa Innovation Centre, CATIE,...**

**Developing business friendly national cocoa policies, supported by PPPs, developing partnership with EU chocolate manufacturers...**

# World Cocoa Conference 2016

22 – 25 May 2016, Bávaro (Punta Cana), Dominican Republic



## Objectives:

- Take stock of the progress achieved by stakeholders in the implementation of the *Global Cocoa Agenda* adopted in Abidjan in 2012
- Review recent developments in the cocoa sector.



## Special emphasizes:

A special emphasis will be put on the theme of differentiation of various cocoas and cocoa products as a method of branding and of market development, in order to increase profitability for producers and added value for both origins and manufacturers.

The WCC3 is organized under the theme:

***“Building bridges between producers and consumers”***.



# World Cocoa Conference 2016

22 – 25 May 2016, Bávaro (Punta Cana), Dominican Republic



**Exhibition:** an opportunity to promote brands and showcase products and projects to the most influential gathering of professionals from the cocoa and chocolate industry



**Networking:** the event will attract industry leaders from all geographical regions throughout the entire supply chain. Many side events and parties to be organized during the week.



**Learning:** an opportunity to learn about the most recent actions taken to ensure the sustainability of the sector and about the latest market developments

**Sharing:** an opportunity to share experiences during and around the sessions.



For more information: [www.worldcocoaconference.org](http://www.worldcocoaconference.org)





***Thank you and  
enjoy your chocolate from  
the Caribbean!***